

DECISION MEMORANDUM

TO: COMMISSIONER KEMPTON
COMMISSIONER SMITH
COMMISSIONER REDFORD
COMMISSION SECRETARY
COMMISSION STAFF

FROM: DON HOWELL
DEPUTY ATTORNEY GENERAL

DATE: DECEMBER 16, 2009

SUBJECT: APPLICATION FOR APPROVAL OF A CUSTOMER ALLOCATION
AGREEMENT BETWEEN RAFT RIVER AND IDAHO POWER, CASE
NO. C11-E-09-01

On October 30, 2009, Raft River Rural Electric Cooperative filed an Application seeking the Commission's approval of an "Allocation Agreement" between Raft River and Idaho Power Company so Raft River may serve a single customer located in Idaho Power's service territory. Raft River is an electric cooperative operating in southeast Idaho. Both Raft River and Idaho Power are considered suppliers under the Electric Suppliers Stabilization Act (ESSA), *Idaho Code* § 61-332 *et seq.*

Raft River and Idaho Power have agreed that "it is in the best interest of all involved for Raft River to provide power to Mr. Benson's property. . . ." Application at 1. Mr. Benson's property is located in Idaho Power's service area. The parties agreed to allow Raft River to supply this single customer with new, three-phase electrical service because Raft River can install the requested service at a lower cost. The parties further recognize that the Agreement is not intended to modify the service territories of either Idaho Power or Raft River.

THE ESSA

Idaho Code § 61-333(1) provides that electric suppliers may contract for the purpose of "allocating territories, consumers, and future consumers . . . and designating which territories and consumers are to be served by which contracting electric supplier." Under the ESSA, both Raft River and Idaho Power are defined as electric suppliers. *Idaho Code* § 61-332A(4). The Commission is authorized to approve agreements allocating customers between suppliers only upon finding that the allocation is in conformance with the purposes of the ESSA. *Idaho Code*

§ 61-333(1). As set out in *Idaho Code* § 61-332(2), the purposes of the ESSA are to: (1) discourage duplication of facilities; (2) prohibit “pirating” of consumers; (3) stabilize service territories and consumers; and (4) promote harmony between electric suppliers.

STAFF RECOMMENDATIONS

Based upon its review, Staff believes that approving the Allocation Agreement between Raft River and Idaho Power is appropriate. More specifically, the agreement to service this single customer does not adversely affect the customer base or service territories of either supplier and promotes harmony between Raft River and Idaho Power. In addition, the parties agree that it is less expensive for Raft River to supply service to Mr. Benson. Consequently, the Staff recommends that the Commission approve the Allocation Agreement pursuant to its authority under *Idaho Code* § 61-333(1).

COMMISSION DECISION

Does the Commission wish to approve the Customer Allocation Agreement between Raft River and Idaho Power?

Does the Commission find the Agreement comports with the purposes of the ESSA?



Don Howell
Deputy Attorney General

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